MULTIMEDIA UNIVERSITY

STUDENT ID NO

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FINAL EXAMINATION

TRIMESTER 2, 2015/2016

BMR3134 – STRATEGIC MARKETING

(All sections / Groups)

10 MARCH 2016
2.30 p.m – 4.30 p.m
(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This Question paper consists of 6 pages with 4 Questions only.

2. Attempt **ALL** questions. All questions carry equal marks and the distribution of the marks for each question is given.

3. Please write all your answers in the Answer Booklet provided.

ANSWER ALL QUESTIONS

Banyan Tree Holdings: Creating a Brand with IMC

From the humble beginnings of its first Phuket resort, which was developed on an abandoned tin mining site and launched in 1994, Banyan Tree Holdings Limited has expanded into over 40 locations across some 20 countries, with a strong presence in Asia and the Middle East. What started as a small, privately owned business has rapidly expanded into a publicly listed, multimillion-dollar company with numerous international accolades. The success story of the Banyan Tree brand is the result of a carefully cultivated reputation for the luxurious resorts and premium service, which characterize the Banyan Tree lifestyle. Through this strategy. Banyan Tree has appealed to various groups of customers who value the brand for its exclusive and distinctive touch.

Banyan Tree Holdings Limited makes use of strategic marketing to cater to a range of diverse consumer groups that have particular needs and preferences. As a leading manager and developer of premium resorts, hotels, and spas in the Asian region, it operates Banyan Tree Hotels and Resorts, Angsana Hotels and Resorts, as well as the integrated resort Laguna Phuket. The company also manages the spas of the Indian-owned Oberoi Hotels and Resorts.

Banyan Tree Holdings Limited's two award-winning brands take the statuesque banyan and angsana trees as icons, which convey the company's natural and Asian-based identity. Also known as the holy "Bengal tree of the Buddha," the banyan tree exemplifies serenity, wisdom, longevity and. crucially for a leisure-oriented company, rebirth. The Banyan Tree brand appeals to highly affluent travellers with the themes of romance, intimacy, and rejuvenation associated with its luxury retreats. In contrast, the Angsana brand was created as a sister brand that targets younger and more adventurous travellers through its exuberant, sophisticated, and environmentally conscious themes.

BANYAN TREE HOTELS AND RESORTS

Banyan Tree Holdings Limited is committed to two core experiences: (1) Each Banyan Tree property is designed to fit into its natural surroundings, using original materials as far as possible to reflect and preserve the landscape and architecture of the destinations; (2) Guests are pampered with a warm and friendly retreat experience that showcases Banyan Tree's signature blend of romance, rejuvenation and exotic sensuality.

Eleven award-winning luxury resorts in destinations as varied as Bahrain in the Middle East and Lijiang in China, come under the banner of Banyan Tree Hotels and Resorts. Each property is unique in its design and concept, yet all share Banyan Tree's attention to exclusivity in location, luxurious facilities, and a strong emphasis on design that

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incorporates the traditional culture of each setting and complements the natural beauty of the surrounding environment. Banyan Tree Hotels and Resorts caters to those who place a premium on exclusive and unique locales, with a penchant for the indulgent, luxurious, and exotic. These high-end customers desire personalized service, ambience, and design, and a self-contained, personal retreat with private and tasteful amenities.

Launched in 2007. the Banyan Tree Private Collection is a destination club that offers its members a week's stay at signature villas in the most picturesque locales worldwide, at the cost of a one-time membership fee and annual dues, thereby ensuring well-heeled, Banyan Tree regulars immediate access to the Banyan Tree experience around the world. The membership also comes with exclusive discounts at all Banyan Tree spas and shops selling Banyan Tree Gallery products, as well as special rates for stays at other Banyan Tree properties, on-site concierge services, and vacation planning services. As membership is transferable and holiday costs under this scheme are protected from inflation, the Banyan Tree Private Collection also holds appeal to investors.

Another complementary offering, Banyan Tree Residences provides an opportunity to invest in a signature villa, apartment, or townhouse within the auspices of Banyan Tree Hotels and Resorts. These properties can be found in Bangkok and Phuket, Thailand; Lijiang, China; Bintan, Indonesia; and Mayakoba, Mexico. Besides an annual return on their investment, owners enjoy a range of other privileges, including 60 days of complimentary use of their property every year and membership to the exclusive Banyan Tree Residence Club.

ANGSANA HOTELS AND RESORTS

Launched in 2000, Angsana Hotels and Resorts is the sister brand of Banyan Tree. Designed as contemporary, chic, and vibrant retreats, these hotels are marketed with an added emphasis on outdoors-oriented recreation. They also offer attractions for a younger, more adventurous, and environmentally conscious set of consumers, with bungee jumping, white-water rafting, and trekking at its Angsana Great Barrier Reef, and snorkelling safaris, catamaran sailing, and eco-conservation programs at its Angsana Ihuru in the Maldives.

In addition, Angsana Hotels and Resorts operates boutique properties in unique World Heritage site locales, for example, in Laos, Sri Lanka, and China, capitalizing on the historical, natural, and religious charm of their remote and unique locales to attract the adventurous traveller in search of a holiday that is truly off the beaten path. These unique offerings appeal to the segment of travellers who are adventurous, and culturally and environmentally attuned.

At the multiple award-winning Maison Souvanna-phoum Hotel in Luang Prabang, visitors can savour a cultural and scenic experience as they visit the Mekong River and hills of Laos, and admire the ancient palace and temples while staying in bedrooms that

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were once owned by royalty. The Deer Park Hotel in Sri Lanka offers animal and wildlife lovers a safari experience at the nearby national reserve with wild elephants, crocodiles, leopards, and sloth bears. To further allow guests to commune with nature, open-air bathrooms and cottages help create a coherent authentic experience. The Gyalthang Dzong Hotel set in Shangri-La in China has been built like a Tibetan lamasery, and offers natural and religious attractions with breathtaking gorges, botanical tours, and ancient monasteries. Travellers are assured of a rustic yet comfortable, uniquely crafted experience.

LAGUNA RESORTS AND HOTELS

A subsidiary of Banyan Tree Holdings Limited, Laguna Phuket Resorts and Hotels in Thailand is marketed as five h

otels forming part of Asia's first integrated resort destination, via a single billing system, a transport infrastructure, a sum total of over 30 restaurants and bars, and multiple recreational facilities including the Laguna Phuket Golf Club, Canal Village Laguna Shopping Centre, and Angsana Spa. Laguna Phuket Beach Resort has a range of facilities catering to corporate events, theme parties, and wedding functions, including a ballroom and landscaped gardens; while Allamanda Laguna Phuket has amenities for families and beach afficionados, including children's suites, a children's club, and a marine center for water sports.

Laguna Resorts and Hotels is also distinguished by the environmentally responsible approach adopted by the company in restoring a former mining wasteland and its "human environment." This term explains the company's commitment to preserving not just the physical environment, but also in providing for the health and educational needs of the children of its employees and local villagers. This code of environmental ethics is especially appealing to customers who are concerned about social responsibility and environmental sustainability.

BANYAN TREE SPAS

As Asia's largest spa operator. Banyan Tree Spa manages over 65 spas around the world. Banyan Tree Spa has a distinctive and established brand concept. Unique spa packages offer a health and wellness-themed holiday with programs and personal facilities that offer a specially-crafted spa experience for the customer who enjoys exclusivity and who wants a holiday centering around personal rejuvenation.

Each individual spa possesses special characteristics in its design and spa packages. Banyan Tree Spa Phuket in Laguna Phuket offers a garden spa concept, with an exclusively developed range of herbal restoratives and traditional techniques, and specially trained massage therapists. The Spa therefore appeals to nature lovers looking forward to a wellness experience in communing with nature. Banyan Tree Spa Shanghai's holistic approach is highlighted by its reference to the Chinese five elements concept and

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the *yin* and *yang*. This appeals to the local Chinese market, as well as guests at the Westin. Shanghai, where it is located. Thus, each Banyan Tree Spa is branded in an authentic manner by linking spa techniques and themes to the spa's location and target market.

ANGSANA SPAS

Angsana Spa caters to a range of young, modern customers who may be less attuned to spas. Its website offers a playfully worded "Spa 101" which offers guidelines to customers who are new to spa services. It also has a "Spa Diva" section that allows visitors to e-mail their queries to the company. The more personal, relaxed, and cheerful branding of Angsana Spa creates an image of accessibility and targets a different market segment as compared to the Banyan Tree Spa brand. This differentiated focus is also evident in the ranges of spa gifts at the Banyan Tree Gallery and Angsana Gallery. Banyan Tree Gallery offers packaging in luxurious and traditional materials such as batik, organdy, and satin, whereas Angsana Gallery offers streamlined modern packaging in brighter colours like orange, yellow, and lime green. Angsana Spa also runs 12 spas under a "Day Spa" concept, which caters to busy, working city-dwellers who can savour a natural and sensual retreat in a convenient setting.

OBEROI SPAS

The Oberoi Spas by Banyan Tree is a collaboration between Banyan Tree and Oberoi Hotels and Resorts, which is owned by the India-based Oberoi Group. Oberoi spas adopt a region- and environment-based theme, with Ayurvedic treatments at the award-winning Oberoi Udaipur branch, and Javanese treatments at Oberoi Bali. In this way. Banyan Tree caters to customer groups beyond the reach of its own hotels and resorts, in particular the Indian market, adapting its services and products accordingly.

MARKETING THE BRAND

During its early days, Banyan Tree Hotels and Resorts' "Romance of Travel" advertising campaign won commendation in the Best Marketing Campaign for Regional Brand Development category at the Asian Marketing Effectiveness Awards ceremony. Banyan Tree used this campaign to raise interest in new and existing markets in Asia and to promote its brand message of romance, intimacy, and rejuvenation.

Besides attaining high visibility through its marketing campaigns, articles on Banyan Tree have appeared in many websites by travellers, who often rate the resorts and hotels four, or even five, out of five stars for service and experience. Positive testimonies like these informally serve to generate interest in other Internet users, who increasingly choose to use the Internet to research their holiday options before enquiring and booking online or through travel agencies. Banyan Tree offers direct bookings through popular resort websites such as Kiwi Collection and Leading Hotels of the World, which showcase all

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the rooms and facilities offered by the resort and entice patrons to book immediately online. The external benefits of Banyan Tree's reputation for high standards and superior service include an informal buzz through good reviews and reports of celebrity patronage, which are as powerful as company marketing.

Year after year. Banyan Tree has been consistent in ensuring that its advertising preserves the resorts' original mission and values. In terms of future developments. Banyan Tree is exploring the possibilities created by emergent niches such as eco-tourism and cultural tourism. In this way. Banyan Tree can build on its established name in marketing exotic, exclusive destinations such as those presently available in Shangri-La. Lijiang. China and Riviera Maya, Mexico.

Other than aiming for the tourism segment. Banyan Tree has also been very active in advocating consumer responsibility by embarking on many famous projects such as the Tsunami Relief Project in 2004; the Turtle Head Start program that seeks to protect endangered species of turtles by monitoring their activity in the Maldives; hunger and protection projects; and assignments in aid of AIDS. These projects help to generate a high level of awareness and goodwill for Banyan Tree as a socially responsible company. This positivism not only ensures long-term sustainability for the company's many developments, but also promises to attract rising numbers of ethically and environmentally concerned consumers.

GOING GLOBAL

All over Asia, there has been an increasing trend in favour of tourism to the Orient. In China alone, tourism receipts have risen from 2001's USS17.8 million to 2006's USS30.1 million, and this figure is forecast to grow to more than US$40 million after the 2008 Beijing Olympics. Although Banyan Tree has an established regional presence, it will have to withstand a possible surge in competition within the resorts and hotels industry. With the forces of change to be reckoned with. Banyan Tree Holdings Limited has to consistently improve on its current position to keep up with rising world, consumer, and industry trends. Through the multiple strengths of its brands, continued expansion, and the ability to seek out and serve new markets. Banyan Tree is poised to run with the winds of change.

Source : Kerin, Hartley, Rudelius, Geok, Marketing in Asia, McGraw Hill (2009)

QUESTION 1

(a) Discuss any TWO (2) segments that can be used by Banyan Tree to segment its market. (6 marks)

(b) Discuss FOUR (4) factors the company must look at to select its market. (8 marks)

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(c) Identify any TWO (2) Banyan Tree's target audiences for its marketing communication strategy. (6 marks)

(Total: 20 marks)

QUESTION 2

(a) Discuss the FIVE (5) different ways in which Banyan Tree can communicate with its target audiences?

(30 marks)

(b) Explain FIVE (5) factors that influence the promotional mix decision?

(20 marks)

(Total: 50 marks)

QUESTION 3

(a) Define marketing objectives.

(2 marks)

(b) Identify FOUR (4) marketing objectives can Banyan Tree set for the next few years?

(8 marks)

(Total: 10 marks)

QUESTION 4

Discuss any FOUR (4) direct marketing tools Banyan Tree can use to reach out to its customers?

(Total: 20 marks)

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